

GLOSSARY

Ad Valorem Tax: A tax levied in proportion to the value of a property.

Activity: Departmental efforts which contribute to the achievement of a specific set of program outcomes; the smallest unit of the program budget.

Allocate: To set apart portions of budgeted expenditures which are specifically designated to organizations for special activities or purposes (i.e., various rescue squads).

Annual Budget: A budget covering a single fiscal year.

Appropriation: An authorization granted by the Board of Commissioners to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinance.

Approved Budget: The budget as formally adopted by the Board of Commissioners for the upcoming fiscal year.

Assessed Value: The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

Assessment: The process for determining values of real and personal property for taxation purposes.

Authorized Bond: Bonds which have been legally approved but may or may not have been sold.

Balanced Budget: Occurs when planned expenditures equal anticipated revenues. In North Carolina it is required that the budget submitted to the Board of Commissioners be balanced.

Board of County Commissioners: Five member Board elected at large by the voters of the County for four year terms.

Bond: A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

Bond Issued: Bonds that are sold.

Bond Rating: A grade indicating a governmental unit's investment qualities. Generally speaking, the higher bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of the Government's strong financial position. Ratings range from AAA (highest) to D (lowest).

Budget Document: A formal document presented to the Board of Commissioners containing the County's financial plan for a fiscal year.

Budget Message: A written overview of the proposed budget from the County Manager to the Board of Commissioners which discusses the major budget items and the County's present and future financial condition.

Capital Improvement Plan: A long term plan of proposed capital improvement projects which includes estimated project costs and funding sources that the County expects to undertake within a five year period. The plan is updated annually to reassess capital needs.

Capital Outlay: An expenditure expected to have a useful life greater than three years or an estimated total cost of \$5,000 or more. Capital outlay expenditures include such purchases as a heavy duty calculator, a vehicle, or a microcomputer.

Capital Project: A project expected to have a useful life greater than ten years or an estimated total cost of \$100,000 or more and requiring professional certification. Capital projects include the construction, purchase, or major renovation of a building or the purchase of land.

Capital Projects Fund: A fund used to account for the acquisition or construction of major governmental capital facilities and equipment which are not financed by other funds.

Contingency Account: Account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget. Transfers from this account must be approved by the County Manager or Board of Commissioners.

Current Expense: Local funds used to supplement the State's minimum level of support for operating the schools. These funds by State law are appropriated on a per pupil basis.

Debt Service Fund: Fund used to account for the accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

Delinquent Taxes: Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

Department: A major administrative division of the County that has overall management responsibility for an operation within a function area.

DHR: Represents Departments of Human Resources that includes Social Services, Public Health, and Mental Health Departments.

Encumbrance: A financial commitment for services, contracts, or goods that have not as yet been delivered or performed.

Enterprise Fund: A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees and charges.

Expenditures: The total costs of a program or capital project.

Fire District: Special voter-approved districts within the County established to furnish fire protection to residents and supported by property taxes.

Fiscal Year: The time period beginning July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

Fixed Asset: An asset of long-term character. For budgetary purposes a fixed asset is defined as an item costing \$1000 or more with an expected life of more than three years.

FORESIGHT: FORESIGHT was first created in 1985 to bring 20 business, cultural, educational, and governmental leaders from across the County together for a detailed, long range strategic planning study. Their goal was to examine the County's economic status, identify key areas of strength and weakness, and recommend strategies that would enhance the County's long-term economic growth.

Fringe Benefits: For budgeting purposes fringe benefits include employer payments for social security, retirement, group health, life insurance, dental insurance, and workers compensation.

Full-Time Equivalent (FTE): An FTE converts the hours worked by a position into a percentage of a full year's number of hours. One FTE equals 40 hours per week or 2,080 hours per years per permanent position.

Fund: An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations.

Fund Balance: Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

Function: A broad grouping of activities and departments whose outcomes and expenditures are inter-related. Examples of functions within Catawba County include Human Resources, Public Safety, and General Government.

General Fund: The general operating fund of the County used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds: Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

Grants: A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

Indirect Cost: The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the Administrative Departments.

Intergovernmental Revenues: Revenues from other governments (State, Federal, or local), which can be in the form of grants, shared revenues, or entitlement.

Lease Purchase: A method of purchasing equipment in which payments are spread over a period of time.

Levy: The amount of tax, service charge, and assessments imposed by the government.

Line Item: A budgetary account representing a specific object of expenditure.

Modified Accrual: The County budgets all funds on the modified accrual basis of accounting according to North Carolina General Statute. This is an accounting method in which revenues are recorded when they are earned or billed and expenditures are recorded when they are obligated.

Ordinance: A formal legislative enactment by the Board of Commissioners that has the full force and effect of law within the boundaries of the County.

Personal Services: Salaries and wages paid to employees for full-time, part-time, and temporary work including overtime and similar compensation. Also included in this account group are fringe benefits paid for employees.

Program: A well-defined portion of the operating plan for which a distinct set of goals and outcomes may be developed.

Program Objective: A specific statement about what is to be accomplished or achieved for a particular program during the fiscal year.

Public Safety: A group of expenditures related to the provision and enforcement of law enforcement and fire and disaster protection.

Reappraisal: The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

Reclassification: A change in the classification and corresponding job title of an existing position that results from a major change in assigned responsibilities.

Reinventing Department: One of seven departments operating under alternative methods for budgeting which give more flexibility for accounts.

Reserve: An account designated for a portion of the fund balance that is to be used for a specific purpose.

Revenue: Income including transfers and excluding proceeds from the sale of bonds or notes for the fiscal year. The major categories of revenue include taxes, intergovernmental, Federal and State, permits and fees, sales and services, and interest on investments.

Special Revenue Fund: A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Tax Levy: Revenue produced by applying a given tax rate to a property's assessed or tax value.

**FINANCIAL STATISTICS AND STATEMENTS
FOR FISCAL YEAR ENDING JUNE 30, 2008**

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Governmental Expenditures by Function¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Government	Public Safety	Environmental Protection	Economic & Physical Development
<i>Modified Accrual Basis of Accounting</i>				
1998	7,913,031	11,940,204	413,193	3,374,628
1999	8,058,798	12,693,838	423,155	4,199,148
2000	8,728,954	15,094,171	430,994	4,871,841
2001	7,466,659	15,025,312	505,205	6,735,065
2002	7,569,288	16,313,961	388,926	7,518,580
2003	8,543,435	17,156,936	321,413	7,409,045
2004	8,506,393	19,088,555	384,942	7,594,145
2005	9,449,992	20,032,107	428,549	7,886,973
2006	9,978,986	21,209,400	452,180	8,651,385
2007	9,613,213	23,021,049	475,667	10,889,872
2008	9,944,571	26,916,838	520,587	10,682,552

Note:

¹Includes General, Special Revenue, and Capital Projects Funds.

Human Services	Culture and Recreation	Education	Capital Projects	Debt Service	Total
45,268,605	2,024,044	23,114,413	16,924,978	7,682,635	120,389,614
47,155,262	2,265,773	24,172,744	30,977,070	9,344,983	143,041,792
48,907,143	2,274,479	25,871,097	30,993,580	10,854,822	148,633,362
53,307,477	2,292,733	27,566,111	25,702,494	11,481,155	152,140,725
55,721,269	2,234,409	28,202,411	13,181,244	10,987,317	142,117,405
56,659,920	2,186,614	27,437,466	7,859,145	10,778,702	138,352,676
59,078,864	2,331,664	30,048,641	18,690,079	10,427,413	156,150,696
66,508,454	2,610,001	32,544,711	42,549,957	14,836,096	199,341,170
65,236,455	2,695,423	34,222,295	28,338,920	15,152,476	189,645,370
73,960,327	2,719,466	38,014,454	19,683,740	15,213,857	197,656,392

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Governmental Revenues by Source¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	Ad Valorem Taxes	Other Taxes	Unrestricted Intergovernmental Revenues
<i>Modified Accrual Basis of Accounting</i>			
1999	44,738,308	21,392,472	4,473,707
2000	53,313,472	23,136,615	4,455,262
2001	55,112,257	23,470,898	4,466,558
2002	57,268,329	23,023,315	4,021,740
2003	59,388,468	25,207,828	1,379,229
2004	63,153,315	28,444,404	1,336,917
2005	64,037,632	30,151,572	1,095,733
2006	66,233,752	31,654,028	1,248,170
2007	68,270,907	35,415,288	1,235,023
2008	81,625,223	36,391,110	1,970,909

Note:

¹Includes General, Special Revenue, and Capital Projects Funds.

Restricted Intergovernmental Revenues	Licenses and Permits	Sales and Service	Investment Earnings	Miscellaneous	Total
27,585,577	1,740,558	12,398,709	3,628,919	1,989,857	117,948,107
33,650,901	2,063,027	12,042,526	4,221,567	2,301,963	135,185,333
39,413,713	2,104,748	13,122,659	5,239,407	2,612,690	145,542,930
36,382,864	2,211,753	15,121,137	2,720,791	2,544,061	143,293,990
32,683,132	2,383,424	16,664,263	2,107,354	2,997,207	142,810,905
36,297,819	2,959,092	17,742,167	642,651	4,614,575	155,190,940
42,141,280	3,457,883	17,420,439	2,773,588	3,803,472	164,881,599
44,764,103	3,214,736	16,591,727	3,912,728	3,725,976	171,345,220
46,532,532	3,773,033	12,849,786	5,883,078	3,998,845	177,958,492
56,482,993	4,101,574	15,071,656	5,600,327	4,309,242	205,553,034

CATAWBA COUNTY, NORTH CAROLINA
Assessed Valuation and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Utilities
1999	5,316,945,979	2,238,372,239	387,202,399
2000	7,415,161,955	2,324,551,977	502,521,581
2001	7,676,297,260	2,614,445,636	484,704,904
2002	7,988,283,700	2,709,118,917	479,273,637
2003	8,265,105,733	2,796,143,745	507,720,148
2004	9,513,468,457	2,640,843,044	517,072,839
2005	9,722,396,729	2,680,617,427	539,742,782
2006	9,919,033,408	2,558,398,877	545,842,516
2007	10,174,785,855	2,614,088,394	570,452,150
2008	11,444,764,023	2,606,879,334	603,786,566

Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
7,942,520,617	0.550	10,153,724,017
10,242,235,513	0.550	11,123,978,455
10,775,447,800	0.495	10,331,082,825
11,176,676,254	0.495	11,493,810,987
11,568,969,626	0.495	12,119,579,542
12,671,384,340	0.495	12,965,336,351
12,942,756,938	0.480	12,715,889,955
13,023,274,801	0.480	13,033,994,902
13,359,326,399	0.490	13,499,818,390
14,655,429,923	0.535	N/A

Note:

Tax rate expressed in dollars of tax per \$100 of assessed valuation.

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

	<i>Fiscal Year</i>				
	2008	2007	2006	2005	2004
Catawba County	0.5350	0.4900	0.4900	0.4800	0.4800
Fire Districts					
Bandys	0.0600	0.0600	0.0500	0.0390	0.0390
Catawba	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0700	0.0700	0.0500	0.0500	0.0350
Cooksville	0.0517	0.0550	0.0550	0.0550	0.0550
Denver	0.0389	0.0500	0.0500	0.0450	0.0293
Fairbrook	0.0000	0.0325	0.0325	0.0257	0.0257
Icard - Long View	0.0000	0.0000	0.0000	0.0000	0.0000
Icard - Mountain View	0.0000	0.0000	0.0000	0.0000	0.0000
Long View	0.0546	0.0568	0.0568	0.0568	0.0568
Maiden	0.0500	0.0500	0.0312	0.0312	0.0312
Mountain View	0.0493	0.0525	0.0425	0.0425	0.0425
Newton	0.0700	0.0700	0.0700	0.0513	0.0513
Oxford	0.0558	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0500	0.0500	0.0500	0.0400	0.0400
Startown	0.0000	0.0000	0.0000	0.0000	0.0000
St. Stephens	0.0500	0.0500	0.0500	0.0500	0.0500
Viewmont	0.0000	0.0325	0.0325	0.0248	0.0248
Municipalities:					
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.4600	0.4500	0.4500	0.4500	0.4500
City of Conover	0.4000	0.4000	0.3800	0.3800	0.3600
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000
Town of Long View	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.4000	0.4000	0.4000	0.3800	0.3800
City of Newton	0.4600	0.4600	0.4400	0.4400	0.4400
Total Maximum Rate - Fire District	0.6050	0.5600	0.5600	0.5500	0.5500
Total Maximum Rate - Municipalities	1.0550	1.0100	1.0100	1.0000	1.0000

Note:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax levies were assessed at one hundred percent (100%) of the actual value.

<i>Fiscal Year</i>				
2003	2002	2001	2000	1999
0.4950	0.4950	0.4950	0.4950	0.5500
0.0390	0.0390	0.0390	0.0390	0.0400
0.0700	0.0700	0.0700	0.0700	0.0700
0.0700	0.0700	0.0700	0.0700	0.0700
0.0350	0.0350	0.0350	0.0350	0.0350
0.0600	0.0600	0.0600	0.0600	0.0600
0.0320	0.3200	0.0320	0.0320	0.0400
0.0280	0.2800	0.0280	0.0280	0.0400
0.0440	0.4400	0.0440	0.0440	0.0500
0.0400	0.4000	0.0400	0.0400	0.0500
0.0620	0.6200	0.0620	0.0620	0.0760
0.0340	0.0340	0.0340	0.0340	0.0425
0.0450	0.0450	0.0450	0.0410	0.0475
0.0560	0.0560	0.0600	0.0500	0.0500
0.0600	0.0600	0.0600	0.0600	0.0600
0.0650	0.0650	0.0650	0.0650	0.0650
0.0400	0.0400	0.0400	0.0320	0.0420
0.0000	0.0000	0.0500	0.0500	0.0500
0.0500	0.0500	0.0500	0.0500	0.0500
0.0270	0.0270	0.0270	0.0270	0.0325
0.5200	0.5200	0.5200	0.5200	0.5200
0.4800	0.4800	0.4800	0.4800	0.4900
0.4500	0.4500	0.4500	0.4500	0.4700
0.3800	0.3600	0.3600	0.3600	0.3800
0.5500	0.5500	0.5500	0.5500	0.5900
0.4000	0.4000	0.4000	0.4000	0.4000
0.4000	0.4000	0.3700	0.3700	0.4000
0.4700	0.4700	0.4700	0.4700	0.5400
0.5650	0.5650	0.5650	0.565	0.6260
1.0450	1.0450	1.0450	1.045	1.1400

CATAWBA COUNTY, NORTH CAROLINA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Year

Fiscal Year Ended June 30	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
1999	80,710,000	7,942,520,617	1.02	609
2000	83,285,000	10,242,235,513	0.81	621
2001	76,450,000	10,775,447,800	0.71	540
2002	69,650,000	11,176,676,254	0.62	480
2003	63,040,000	11,568,969,626	0.54	430
2004	55,880,000	12,671,384,340	0.44	380
2005	49,340,000	12,942,756,938	0.38	332
2006	42,815,000	13,023,274,801	0.33	287
2007	36,540,000	13,359,326,399	0.27	238
2008	30,160,000	14,655,429,923	0.21	194

CATAWBA COUNTY, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2007	2006	2005	2004
Assessed Value (after exemptions)	\$14,655,429,923	\$13,359,326,399	\$13,023,274,801	\$12,942,756,938	\$12,671,000,000
Debt Limit Rate	8%	8%	8%	8%	8%
Debt Limit	1,172,434,391	1,068,746,112	1,041,861,984	1,035,420,555	1,013,000,000
Less total net debt applicable to limit	121,303,793	102,721,667	111,610,000	112,385,000	69,000,000
Legal Debt Margin	1,051,130,598	966,024,445	930,251,984	923,035,555	944,000,000

Total net debt applicable to the limit as a percentage of legal debt limit	10%	10%	11%	11%	
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Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value (after exemptions)	\$14,655,429,923
Debt limit (8% of assessed value)	1,172,434,394
Debt applicable to limit	
Outstanding general obligation debt	30,160,000
Authorized and unissued general obligation debt	6,970,000
Certificates of participation	45,435,000
Installment purchase	45,008,793
Qualified Zone Academy Bonds	700,000
Less statutory deductions	
Unissued refunding bonds	(6,970,000)
Total net debt applicable to limit	121,303,793
Legal debt margin	1,051,130,601

	2002	2001	2000	1999
Assessed Value (after exemptions)	\$11,176,676,254	\$10,775,447,800	\$10,242,235,513	\$7,942,520,617
Debt Limit Rate	8%	8%	8%	8%
Debt Limit	894,134,100	862,035,824	819,378,841	635,401,649
Less total net debt applicable to limit	73,775,188	80,653,877	87,648,423	84,777,641
Legal Debt Margin	820,358,912	781,381,947	731,730,418	550,624,008

Total net debt applicable to the limit as a percentage of debt limit	8%	9%	11%	13%
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Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimate	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
1999	132,545	3,744,793,885	28,253	36.7	23,004	1.8%
2000	134,125	3,747,133,936	27,937	37.0	23,600	1.8%
2001	141,685	3,879,504,366	27,381	36.1	23,875	6.4%
2002	145,071	3,906,036,675	26,925	36.2	23,688	9.4%
2003	146,690	3,884,791,270	26,483	36.3	23,825	9.3%
2004	146,971	4,090,055,959	27,829	36.4	23,942	7.2%
2005	148,797	4,255,296,606	28,598	36.6	24,243	6.6%
2006	149,416	4,493,536,784	30,074	36.7	24,455	5.4%
2007	153,784	N/A	N/A	37.0	24,766	5.9%
2008	155,452	N/A	N/A	36.9	25,305	7.2%

N/A = Not Available

Sources:

Bureau of the Census, Department of Commerce - Employment Security Commission, Office of State Planning, Bureau of Economic Analysis

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Principal Taxpayers
For the Fiscal Year Ended June 30, 2008

Taxpayer	Type of Business	Taxable Assessed Value	% of Total Assessed Value
Duke Energy Corporation	Electric Utility	\$441,291,099	3.01%
CommScope, Inc.	Cable Manufacturer	\$130,945,400	0.89%
Getrag Gears of North America, Inc.	Gear Manufacturer	110,782,923	0.76%
Frye Regional Medical Center	Medical Care	84,300,036	0.58%
Corning Cable Systems	Cable Manufacturer	80,921,214	0.55%
Hickory Springs Mfg. Co., Inc.	Furniture Supplies	63,440,134	0.43%
Draka Comteq Americas, Inc.	Cable Manufacturer	55,223,301	0.38%
Valley Hills Mall, LLC	Retail	50,132,882	0.34%
Shuford Mills, Inc/Shuford Development	Textiles & Tape	44,173,247	0.30%
Central Telephone Company	Telephone	42,740,159	0.29%
		<u>\$1,103,950,395</u>	<u>7.53%</u>
Total Assessed Valuation		<u><u>\$14,655,429,923</u></u>	

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Principal Employers
Current Year

Employer	Number of Employees	Percentage of Estimated Total County Employment
Catawba County School System	2,100	2.99%
CommScope, Inc.	2,050	2.92%
Frye Regional Medical Center	1,720	2.45%
Catawba Valley Medical Center	1,288	1.83%
Catawba County Government	1,193	1.70%
Hickory Springs Manufacturing	1,100	1.57%
CV Industries, Inc.	1,035	1.47%
Sherrill Furniture Company	1,012	1.44%
Corning Cable Systems	1,000	1.42%
Hdm Furniture Industries	929	1.32%
	13,427	19.11%

CATAWBA COUNTY, NORTH CAROLINA
Notes to the General Purpose Financial Statements
Year ended June 30, 2008

General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due from property tax revenues.

The County's general obligation bonds payable at June 30, 2008, are comprised of the following individual services.

Serviced by the County's General Fund:

\$9,8000,000 1998 School Facility Series Bond due in varying annual installments from \$550,000 - \$800,000 through June 1, 2013; interest at 4.3 – 4.4%	\$3,850,000
\$16,645,000 1999 School Facility Series Bonds due in varying annual installments from \$950,000 - \$1,400,000 through June 1, 2014; interest at 4.4 – 4.7%.	\$7,650,000
\$8,955,000 2000 School Facility Series Bonds due in varying annual installments from \$450,000, - \$805,000 through June 1, 2015; interest at 5.3 – 5.4%. \$3.68 million of these bonds were refunded in June 2005.	\$1,225,000
\$14,495,000 2002 School Facility and Community College Refunding Bonds due in varying annual installments from \$420,000, - \$2,070,000 Through June 1, 2014; interest at 2.0 – 4.0%	
Schools	\$4,624,000
Community College	\$1,156,000
\$16,035,000 2005 School Facility and Community College Refunding Bonds due in varying annual installments from \$760,000 - \$2,240,000 Through June 2, 1015; interest at 3.0 – 3.75%.	
Schools	\$11,193,462
Community College	\$ 461,538
Total	\$30,160,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2009	\$6,395,000	\$1,243,544
2010	\$6,455,000	\$ 993,494
2011	\$5,200,000	\$ 729,769
2012	\$4,395,000	\$ 523,106
2013	\$4,390,000	\$ 344,006
2014 – 2015	<u>\$3,325,000</u>	<u>\$ 166,606</u>
Total	\$30,160,000	\$4,000,525

At June 30, 2008, Catawba County had \$6,970,000 of authorized but unissued bonds and had a legal debt margin of \$1,051,130,601.

General Obligation Refunding Bonds

On June 1, 2005, the County issued \$16,035,000 of General Obligation Refunding Bonds to provide re-sources to purchase United States government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt payment of the following \$15,455,000 general obligation bonds.

\$3,575,000 School Bonds, Series 1995, dated 6/1/1995, and stated to mature in installments on June 1 in the years 2006 – 2010. These bonds were called August 1, 2005.

\$2,000,000 Public School Improvement Bonds, Series 1996, dated 5/1/1996, and stated to mature in installments on June 1 in the years 2006 – 2011. These bonds were called June 1, 2006.

\$6,200,000 School Bonds, Series 1997, dated 7/1/1997, and stated to mature in installments on June 1 in the years 2006-2013. These bonds were called June 1, 2007.

\$3,680,000 School Bonds, Series 2000, dated 6/1/2000, and stated to mature in installments on June 1 in the years 2006-2015. First call date is June 1, 2010.

As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$580,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt payments over the next 10 years by \$529,616 and resulted in an economic gain of \$495,644.

Total 2005 Refunding Bonds outstanding at June 30, 2008, were \$3,680,000.

Revenue Bonds North Carolina Recreational Facilities

On December 22, 1999, the County issued County of Catawba, North Carolina Recreational Facilities Lease Revenue Bonds (YMCA of Catawba Valley Project), Series 1999 totaling \$4,300,000 pursuant to an Indenture of Trust dated as of December 1, 1999 (the "Indenture") between the County of Catawba, North Carolina (the "County") and First Citizens Bank and

Trust Company, as trustee (the "Trustee"), and authorized by a bond order of the County adopted effective as of December 8, 1999. The proceeds received by the County from the sale of the Bonds will be used by the County to acquire, pursuant to the Ground Lease dated as of December 1, 1999 (the "Ground Lease") between the Young Mens Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and the County as Lessee, a long-term leasehold estate in (i) certain existing recreational facilities owned by the Corporation, and (ii), certain real property on which the Corporation intends to construct new recreational facilities to be owned by the Corporation ((i) and (ii) collectively, the "Property"), which Property the County simultaneously will lease back to the Corporation pursuant to the Lease Agreement dated as of December 1, 1999 (the "Lease Agreement") between the County and the Corporation. The Corporation intends to use the funds it receives from the lease of the property to the County under the Ground Lease and from other sources for the purpose of refinancing certain existing indebtedness and financing the costs of acquiring, constructing, improving, and equipping certain new recreational facilities, which are located within the County.

The Bonds will be limited obligations of the County. The Bonds and interest thereon and any redemption or purchase premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the County, the State of North Carolina (the "State") or any political subdivision thereof, within the meaning of any constitutional limitation or statutory provision and will not give rise to a charge against the general credit or taxing powers of any of them, but shall be payable solely from the revenues and income derived from the Lease Agreement, which revenues and income have been pledged and assigned to the Trustee to secure payment thereof, and from moneys available to be drawn by the Trustee under the Credit Facility. No owner of the Bonds shall have the right to compel the exercise of the taxing power of the County, the State or any political subdivision thereof to pay any principal installment or purchase price of, or redemption or purchase premium, if any, or interest on the Bonds.

Total North Carolina Recreational Facilities Lease Revenue Bonds outstanding at June 30, 2008, were \$2.2 million.

Catawba Valley Medical Center

On March 1, 1999, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba Memorial Hospital Project) Series 1999 (the "Series 1999 Bonds") totaling \$23,620,000 for the purpose of refunding the Series 1992 Hospital Revenue bonds (the "Series 1992 Bonds"). The County defeased \$24,070,000 of the Series 1992 bonds in an escrow fund to provide for all future debt service. As a result of this defeasance transaction, a proportionate amount of the unamortized bond issuance costs were written off. A loss of \$2,286,075 was deferred and is being amortized over the remaining life of the refunded bonds. Costs of \$637,326 were incurred in connection with the issuance of the Series 1999 Bonds and have been deferred. Such costs have being amortized over the remaining terms of the Series 1999 Bonds. The revenue bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond

order.

Total 1999 Hospital Refunding Bonds outstanding at June 30, 2008, were \$16.8 million.

Long-Term Obligation Activity

The following is a summary of changes in the County's general long-term debt for the year ended June 30, 2008:

Compensated absences typically have been liquidated in the general fund and are accounted for on a last in first out (LIFO) basis, assuming that employees are taking leave time as it is earned. The current portion of compensated absences is estimated at \$2,604,861 for governmental activities and \$59,840 for business-type activities.

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Governmental Activities					
General obligation debt	\$36,540,000	\$0	(\$6,380,000)	\$30,160,000	\$6,395,000
Certificates of Participation	48,225,000	0	(2,790,000)	45,435,000	2,790,000
Installment purchases	17,956,667	28,607,000	(1,554,874)	45,008,793	2,897,946
Qualified Zone Academy Bond	0	700,000	0	700,000	50,000
Compensated absences	3,693,594	2,867,722	(2,604,861)	3,956,455	2,604,861
Net pension obligation	509,278	115,452	(96,631)	528,099	0
Net OPEB obligation	0	1,845,184	0	1,845,184	0
Total	\$106,924,539	\$34,135,358	(\$13,426,366)	\$127,633,531	\$14,737,807
Business-type Activities					
Accrued landfill closure and post-closure care costs	\$4,127,398	\$2,661,686	\$0	\$6,789,084	\$194,879
Compensated absences	94,674	67,869	(59,840)	102,703	59,840
Net OPEB obligation	0	37,657	0	37,657	0
Total	\$4,222,072	\$2,767,212	(\$59,840)	\$6,929,444	\$254,719